GOVERNMENT OF INDIA
URBAN DEVELOPMENT AND POVERTY ALLEVATION
LOK SABHA

STARRED QUESTION NO:331
ANSWERED ON:14.08.2001
IMPLEMENTATION OF TH CONSTITUTION AMENDMENT
SRINIVASULU KALAVA

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVATION be pleased to state:

(a) whether the Union Government have decided to formulate a model act for effective implementation of 74th Constitution Amendment relating to the Municipalities;

(b) if so, the details thereof;

(c) whether the Government have conducted any study to know the extent of the implementation of 74th Constitution Amendment;

(d) if so, the details thereof; and

(e) the steps being contemplated by the Union Government to strengthen the Municipal Administration in the country?

Answer

MINISTER OF URBAN DEVELOPMENT & POVERTY ALLEVIATION (SHRI JAGMOHAN)

(a)to(e): A Statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA'S STARRED QUESTION NO.331 FOR 14.8.2001 REGARDING IMPLEMENTATION OF 74TH CONSTITUTION AMENDMENT

(a)&(b): A study has been undertaken under the Financial Institution Reforms and Expansion (FIRE) Project of United States Agency for International Development (USAID) for the preparation of guidelines on policy options and legislative intentions for framing new municipal laws in conformity with the provisions of the Constitution (74th Amendment) Act, 1992. Having regard to the work already done by the various State Governments for conformity legislations as per the Constitution (74th Amendment) Act, the guidelines as prepared now play more stress on the following:

(i) The Functional domain of the municipalities and finance and taxation with a view to manage the mismatches between functions and finances.

(ii) Special Focus on Development Planning, with emphasis on the role of people`s representatives in planning matters through the District and Metropolitan Planning Committees.

(iii) Reforms in Financial Management, by introduction of double entry accrual system of accounting.

(iv) Personnel Management Reforms, with a view to professionalise Urban Management.

As an initiative to implement these guidelines, a Model Municipal Act is being developed in one of the selected States, under the above project which will become available for adaptation and adoption by the other State Governments.

(c)&(d): No, Sir. However, the National Institute of Urban Affairs, an autonomous body under the Ministry of Urban Development and Poverty Alleviation, have conducted the following studies on the various aspects of the Constitution (74th Amendment) Act:-

1. Approach to State Municipal Fiscal Relations: Options and Perspectives - This study has laid out steps for the State Finance Commissions that are crucial for reviewing the financial position of Municipalities, estimating their future financial needs, and determining principles for revenue sharing relevant for the Urban Local Bodies.

2. A Compendium of Municipal Legislation in conformity with the Constitution (74th Amendment) Act, 1992 - Under this study an

attempt has been made to collate the efforts of State Governments in amending their municipal legislations as per the Constitution (74th Amendment) Act. Besides analysing important features incorporated in the amended municipal laws, this compendium also provides current status (December, 1996) on the implementation of the Act in various States.

The Ministry of Urban Development and Poverty Alleviation has also been in touch with the State Governments to ensure implementation of various provisions of the above Act. As per information available from the State Governments, elections have been held in all States except Bihar and Pondicherry. State Finance Commission to review the financial position of Urban Local Bodies have been constituted in the States and Union Territories.

(e): As per entry 5 of the State List II under VIIth Schedule of the Constitution, Local Government, including Municipal Corporations, Improvement Trusts etc. is a State subject. In view of this, it is for the State Governments to take necessary action for strengthening the Municipal Administration. With a view to review the implementation of the Constitution (74th Amendment) Act in various States, the Ministry of Urban Development and Poverty Alleviation had organised four regional meets of elected representative of Urban Local Bodies at New Delhi, Hyderbad, Mumbai and Kolkata during 1998 and 1999. These regional meets provided a platform for detailed discussion over the various issues concerning the Urban Local Bodies. A Conference of the Ministers-in-charge of Urban Development and Local Self-Government was also convened at New Delhi in January, 2000. In this conference, the State Governments were emphasised to take necessary steps to implement the various provisions of the Constitution (74th Amendment) Act. Further to this a National Conference of Mayors was also convened at New Delhi in April, 2000.

To strengthen the financial position of Urban Local Bodies, the Ministry of Urban Development and Poverty Alleviation have issued guidelines in 1998 for property tax reforms to all State Governments with the objective of simplification and rationalisation of property tax. These measures are in the process of implementation by a number of States like Bihar, Madhya Pradesh, Gujarat, Tamil Nadu, Uttar Pradesh and Karnataka.

The Ministry of Urban Development is in constant touch with the State Governments to ensure that the various provisions of the Constitution (74th Amendment) Act, are implemented in letter and spirit.